

# HOUSE UNIT VOTES DEFENSE OUTLAY OF \$70.3-BILLION

**\$20-Billion Included for War,  
but a Rise Is Predicted—  
Delay Asked on Reserve**

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Special to The New York Times

WASHINGTON, June 9 —

The House Appropriations Committee approved today a record \$70.3-billion defense appropriations bill, including \$20.3-billion attributable to the war in Vietnam.

In a related action, the committee wrote into its report on the bill a directive to the Defense Department to defer the major reorganization of the Army's Reserve and National Guard forces announced by the Defense Department last week.

The committee said the reorganization, which would eliminate 15 low-priority National Guard divisions, should await approval by Congress.

Although the money bill was large, the committee said in its report that more funds would probably be required for the war in the fiscal year 1968, which starts July 1. Members stressed, however, that any shortfall would be far less than last year's \$10-billion error, barring a major change in the dimensions of the war.

## Spending Excess Foreseen

The committee chairman, George Mahon, Democrat of Texas, said he thought actual defense spending in the new fiscal year would "likely" exceed the budget estimate of \$73.1-billion. But he said he would not even guess the amount. The basic budget estimating this year, he said, was "entirely different" from last year's and much more "realistic."

A member of the Federal Reserve Board, Andrew F. Brimmer, also said today that the estimate of defense spending "will undoubtedly be exceeded." Mr. Brimmer gave his view in a graduation address at the head State College, Moorhead, Minn.

The appropriations bill does not directly govern the level of actual spending in the new fiscal year, part of which will reflect past appropriations. Appropriations give the Defense Department authority to spend but the timing varies with different programs and Defense Department decisions.

In its action on the money bill, the committee made numerous changes in the Administration's request, both up and down. The net reduction was a reduction of \$1,288,000,000, though this reduction is unlikely to have a major effect on actual spending in the new fiscal year.

## Major Cuts Listed

The major cuts were the following:

—\$301-million for proposed fast deployment logistic ships, a new type of freighter, which had previously been stricken from the defense procurement authorization bill.

—\$167-million for new non-nuclear destroyers, which were also cut from the authorization bill.

—\$251-million in cancellation of past appropriations that had never been spent or obligated.

—\$136-million in proposed Defense Department civilian employment—an item that will quickly affect actual spending

if it stands. The biggest single increase was the provision of \$115-million for a nuclear-powered, guided missile frigate. Extra funds were also provided to maintain present strength in B-52 bombers and for added procurement of several types of aircraft, such as the C-130 transport.

On the prospect of added expenditures because of the war, the committee said in its report:

"The committee is of the opinion that funds over and beyond those carried over from previous years, and those included in the pending bill, will probably be required for fiscal year 1968. The tempo and cost of the war in Southeast Asia are on an upward trend. The costs of wars can never be projected precisely. . . . If additional amounts are subsequently requested, they will of course be given a high priority."

The appropriations bill is the largest ever considered by Congress, though the amount is little different from the combined total of the regular and supplemental defense bills for the current fiscal year.

In World War II, when the defense appropriations were higher than in this bill, Army and Navy funds were considered separately.

On the issue of Reserve officers, the committee did two things.

First, it included language in the bill requiring that Army Reserve forces be maintained at a level of not less than 260,000 men and the Army National Guard at not less than 400,000. The Pentagon's recently announced plan would have the same number in the Guard but 20,000 fewer in the Army Reserve.

Second, it included language in the accompanying report directing the Defense Department

to hold up the entire reorganization plan until Congress had a chance to approve it.

The essence of the plan was a reorganization of existing units, rather than a reduction in numbers or a merger of the Guard and the Reserve, as has been proposed earlier. The Defense Department thought was yielding to Congressional wishes, but still the committee disapproved.